

SPECIAL REDEVELOPMENT AGENCY MEETING
JUNE 19, 2006

The meeting was called to order as the City Council at 2:08 pm. by Council President Peters with all Council Members present.

Roll Call Faulconer, Atkins, Young, Maienschein, Fyre,
Madaffer, Hueso, and Council President Peters

Andrea Tevlin, Independent Budget Analyst
Karen Heumann, City Attorney
Elizabeth Maland, City Clerk

The meeting adjourned as the City Council at 3:16 p.m. for the purpose of a break by Council President Peters.

The meeting reconvened as the City Council at 3:22 p.m. by Council President Peters with all Council Members present.

The meeting adjourned as the City Council at 4:34 p.m.

The meeting reconvened as the Special Redevelopment Agency at 4:34 p.m. by Chair Peters with all Agency Members present.

Conference with Legal Counsel - existing litigation, pursuant to California Government Code section 54956.9(a):

RACS-1 *Redevelopment Agency v. Ahmad Mesdaq*
San Diego Superior Court Case No. GIC 829293-1

DCA: B. Bartram

This is an update on the status of an appeal arising from an action in eminent domain brought by the Agency concerning property located at 502 J Street. The case was tried in October 2005 which resulted in a condemnation award adverse to the Agency. In January 2006 the trial court granted Defendant's motion for litigation expenses and an appeal of the judgment has been taken. The grounds for the appeal and the status of the litigation will be presented to the Agency Board.

Chair Peters stated there are no speakers to this item. Referred to Closed Session of Tuesday, June 20, 2006.

SPECIAL REDEVELOPMENT AGENCY MEETING-JUNE 19, 2006

Closed Session Item

RACS-2 *In re 500 West Broadway, L.P.*,
US Bankruptcy Case No. 05-05433

DCA: B. Bartram

This action arises out of an Agency Agreement entered into with 500 West Broadway, L.P. [Developer] in November 2002 for the purpose of renovating the YMCA. The rehabilitation project proceeded and was approximately 98 percent complete when in June 2005 First National Bank filed for appointment of a receiver to prevent Developer's dissipation of assets from the property. Thereafter, the General Partner of Developer, Barone Galasso & Associates filed a petition for Chapter 11, involuntary bankruptcy against the Developer, staying all creditor actions pending resolution of the bankruptcy. The US Bankruptcy Court has recently approved the issuance to creditors of Developer including the Agency of Ballots for accepting or rejecting a Plan of Developer/Debtor Reorganization. The status and background of the bankruptcy and recommendations concerning the Agency's approval of the Plan will be presented for Agency action.

Chair Peters stated there are no speakers to this item. Referred to Closed Session of Tuesday, June 20, 2006.

Adjournment

The meeting adjourned as the Special Redevelopment Agency at 4:35 p.m.

Elizabeth S. Maland, Secretary Redevelopment Agency
of the City of San Diego
(jis)